

**August 13, 1998 - EC Review Draft**

EPA-SAB-RSAC-COM-98-00x

Honorable Carol M. Browner  
Administrator  
U.S. Environmental Protection Agency  
401 M. Street, SW  
Washington, DC 20460

RE: Commentary on the Process for Review of the  
ORD Presidential Budget Request

Dear Ms. Browner:

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2 For more than a decade, the Research Strategies Advisory Committee (RSAC) of the  
3 Science Advisory Board (SAB) has reviewed and provided advice to the Agency on the annual  
4 Presidential Budget Request for the Office of Research and Development (ORD). Over the years  
5 this advice has been generated in a number of ways, including a brief review of the ORD budget  
6 materials by the RSAC Chair, individually by several members of the Committee, or when  
7 adequate time is available, via a formal public review meeting by the full Committee. The full  
8 Committee approach is the usual and clearly preferred mode of review. Regardless of the  
9 approach used by RSAC, the purpose of these reviews is to provide the Agency and the Congress  
10 with advice and insights on the adequacy of the budget to implement a research program of high  
11 scientific quality and one that is responsive to the needs of the Agency.

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13 Although important and highly visible, the ORD budget review is often characterized by  
14 uncertainty regarding the form and availability of materials and the scheduling of the review  
15 meeting (which usually occurs in February). In addition, the desire of the Congress to have timely  
16 input from the Committee prior to the Congressional budget hearings (an event that normally  
17 takes place in March) necessitates the swift completion of the Committee's written report, often  
18 within a week or two of the meeting. From our perspective, this combination of last minute  
19 preparations followed by a rapidly written report reduces the quality and value of the service that  
20 we can provide to the Agency.

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22 The purpose of this Commentary is to identify some areas where we believe that future  
23 improvements can be made in the coordination, timing and presentation of ~~the~~ materials to  
24 the Committee. Some of these concerns were also raised by the Committee in our February 26-  
25 27, 1998 review of the FY1999 Presidential ORD Budget Request. (See associated SAB report:  
26 EPA-SAB-RSAC-98-006, April 28, 1998.) In addition, some were also discussed with Deputy  
27 Administrator Fred Hansen at the SAB's Executive Committee meeting on April 15, 1998. As a

1 result of that discussion, Mr. Hansen asked the Agency and SAB Staff to identify means whereby  
2 the SAB could provide early advice and insights on the science-related aspects of the emerging  
3 FY2000 budget. He also suggested that we examine ways to establish formal coordination and  
4 schedule a Committee meeting to discuss the issues as early as possible. The first planning and  
5 coordination meeting between the SAB, ORD and OCFO (Office of the Chief Financial Officer)  
6 Staff was held this summer (July 31, 1998), with additional meetings planned for the spring of  
7 subsequent years.

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9 While this early coordination meeting will improve our understanding of the b  
10 process and increase our awareness regarding the science-related aspects of the budget, it will not  
11 offer the Committee an opportunity to review and comment on the actual budget figures and how  
12 they impact individual components of the Agency's research programs. The actual release of the  
13 budget figures to the Committee takes place around February and is influenced by several factors,  
14 none of which are under the control of the Committee. This is complicated by the fact that the  
15 provisions of the Federal Advisory Committee Act call for the Committee to announce its  
16 meetings in the Federal Register, a requirement that necessitates that the meeting date be  
17 scheduled about a month in advance to accommodate public participation. As a result, the  
18 meeting may be scheduled before release of the budget figures.

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20 In spite of these problems, the Committee believes that the review of the annual  
21 Presidential Budget Request for ORD continues to be a very useful event, for the Agency, for the  
22 SAB, and for Congress and the public. There is also clear evidence that Agency staff are  
23 improving the process with each iteration. For example, the Committee felt that Agency  
24 documentation and presentations which supported the February 1998 review of the FY1999  
25 Budget Request were a significant improvement over previous years. As we noted in our findings  
26 from that review: *The overall form of the budget and the manner of its presentation were clear*  
27 *and well-organized; the budget follows EPA and ORD Strategic Plans; and the budget is goal-*  
28 *based and incorporates the intent of GPRA. The Committee was pleased to see the Agency*  
29 *change the budget presentation this year away from the media-specific format of previous years.*

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31 The following are some of our suggestions for improving the overall review process in a  
32 manner that would help the Committee provide the best advice to the Agency:

### 33 34 **1. Expand Review to Include Agency-Wide Science and Technology Budget**

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36 As the Agency moves to implement activities consistent with Government Performance  
37 and Reporting Act (GPRA) it must strive to ensure the full integration of all of its science and  
38 technology activities in order to achieve the strategic goals the Agency has established. For this  
39 reason it is critically important to examine the entire budget for the Agency involving Science and  
40 Technology activities and to assess the integration of the various components at the Agency that  
41 involve science and technology to achieve the Agency strategic goals. The RSAC recommends  
42 that the Agency move towards expanding the ORD review to include all science and technology  
43 activities in the Agency in a single annual budget review. In the long term, RSAC suggests that a

review be conducted on the integrated Science and Technology Budget in a manner similar to that which is now conducted annually for the ORD budget. In order to get the full scope of science in the Agency, all research and development (R&D) and science and technology (S&T) activities in other Agency divisions and laboratories outside of ORD (e.g., regional labs, program offices) should be included in the SAB review. The presentation should show the relationship of these other Agency science-related activities to fulfilling the Agency and ORD strategic plans; i.e., by including all of the science and technology activities/budgets of the Agency Offices in categories related to the ORD and Agency-wide strategic science goals. The Agency briefed the Committee on the Agency-wide science and technology budget at the July 31st meeting. Based upon this briefing, the RSAC is planning to provide additional commentary to the Agency on how such Science and Technology budget reviews could be undertaken. In particular, the RSAC will suggest the development of clear definitions for science and technology activities that can be used to evaluate the breadth of science related activities at the Agency.

## **2. Content of Budget Reviews**

- a) Include a historic perspective and illustrative figures of the ORD and full time equivalent (FTE) employee levels as compared to the Agency wide budget and FTE. This perspective should include an analysis of the ORD budget relative to the changing Agency needs and how this has impacted the budget request.
- b) Include information relative to travel funds and FTE support devoted to outside Agency coordination. Such information would help the Committee to better evaluate the adequacy of the funding for coordination with organizations outside of EPA.
- c) Include an evaluation process for determining program effectiveness. The evaluation would help justify budget decisions and help identify where changes are needed. It would be much easier for RSAC to critique programs if there were a set of criteria that had been developed and implemented in order to establish a metric against which the effectiveness of existing programs could be judged.
- d) Provide more detail on how the budget is allocated to individual objectives and research programs and how this year's budget fits into the contemplated budgets over the planning horizon of the Strategic Plan (i.e., five years ) and even over the longer term (10-15 years). In addition, future ORD budget requests should reflect not only the single year but the budget projected to meet each goal in the out years. The overview should address how the present year fits into the flow of the research program funding by providing an indication of what the past year's funding was for each goal and the anticipated direction of funding (more, less, the same) for at least the next three years (and beyond to five or ten years or more, if possible). Since most environmental problems are complex, it will take time to develop a real scientific basis for solutions. The continuity or lack thereof of

1 funding for long-term programs from year-to-year is an area that RSAC should  
2 comment on and thus, the Committee needs the data on which to base its review  
3

- 4 e) Improve the descriptions of how each program is expected to enhance the quality  
5 of environmental decision-making over the long-term. The decision analysis  
6 concept of the value of information may be useful in this respect. The primary  
7 issue, of course, is when do you stop gathering information and just go ahead with  
8 your decision. If you spend more on additional information than you are likely to  
9 gain in making a better decision, then you should proceed with the decision rather  
10 than getting the information. The price of information at which its cost just  
11 balances the expected return of an improved decision is "the value of information."  
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### 13 **3. Timing and Presentation of Budget Material**

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- 15 a) Have ORD provide a budget briefing at a meeting several months prior to the  
16 meeting at which we do the actual budget review. This was done in the fall of  
17 1997 in anticipation of the release of the FY1999 budget figures in early 1998. We  
18 recommend that similar meetings be held on an annual basis. No dollar figures  
19 would need to be presented, but the RSAC would be brought up to speed about  
20 the budgeting categories and, to the extent possible, the research programs that fit  
21 into each. At this meeting it would also be important to discuss the EPA and ORD  
22 strategic plans and how they have changed from the previous year. Finally, the  
23 budgeting and planning decision process should be presented and discussed.  
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- 25 b) Ensure timely delivery of materials. RSAC needs to have the relevant background  
26 materials, including figures sufficiently in advance of the February meeting so that  
27 the Committee has adequate time to react and prepare for discussions.  
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- 29 c) Focus the briefings on how the total budget compares with previous years' budgets  
30 and how resources are distributed among the budget categories. The material  
31 should provide sufficient detail for RSAC to understand budget chunks of  
32 approximately \$5 million. The objective is not to just showcase the most  
33 promising programs under a budget category, but also to highlight those that  
34 absorb the most resources.  
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- 36 d) Provide time lines for multi-year programs, showing past budget trends and future  
37 projections. This will be meaningful only at a level of detail where the nature of  
38 the work to be done is reasonably clear.  
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- 40 e) Describe the "close-out" procedures that are used to terminate R&D and S&T  
41 activities that have been completed or that are no longer high priority in the ORD  
42 and Program Office strategic plans. Provide a list of those activities that have been  
43 closed out in the previous year and will no longer be receiving funding support.

- 1 f) Provide some perspective on contingency planning concerning how budget cuts  
2 would be made if the proposed budget is not approved and has to be revised  
3 downward.  
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5 It may not be possible to carry out all of these suggestions in the review for the upcoming  
6 fiscal year. Nonetheless, the RSAC believes that it is important to continue the excellent progress  
7 shown in the last ORD budget review and address these issues over the course of the next few  
8 budget planning and review cycles.  
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10 We appreciate the opportunity to provide our commentary on the process whereby we  
11 review and provide advice to the Agency on ORD's annual Presidential Budget Requests. The  
12 Research Strategies Advisory Committee would be pleased to expand on any of the findings in  
13 this commentary, and we look forward to your response.  
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15 Sincerely,  
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20 Dr. William Randall Seeker, Chair                      Dr. Joan M. Daisey, Chair  
21 Research Strategies Advisory                      Science Advisory Board  
22 Committee  
23 Science Advisory Board  
24  
25  
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27 cc:

28 Mr. Fred Hansen, Deputy Administrator  
29 Mr. Henry Longest, Acting Assistant Administrator for Research and Development  
30 Ms. Sallyanne Harper, Chief Financial Officer  
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